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Subject: Railroad Commission Adopts Disposal Well Rule Amendments Today - seismicity related

Railroad Commission Adopts Disposal Well Rule Amendments Today

10/28/2014

AUSTIN —The three Texas Railroad Commissioners today unanimously adopted disposal well rule amendments that are designed to address disposal well operations in areas of historical or future seismic activity. Disposal wells are permitted by the Railroad Commission to safely dispose of non-hazardous produced water (saltwater) and hydraulic fracture flowback fluid from oil and gas wells.

Chairman Christi Craddick said, "Once again the Texas Railroad Commission is taking the lead in ensuring our rules follow science in protecting our natural resources while at the same time providing a stable regulatory environment for our oil and gas operators."

Commissioner David Porter said, "I would like to commend our staff for drafting and amending these rules so quickly. These comprehensive rule amendments will allow us to further examine seismic activity in Texas and gain an understanding of how human activity may impact seismic activity, while continuing to allow for the important development of our energy resources in Texas."

Commissioner Barry Smitherman said, "These disposal rule amendments represent the fourth significant rule amendments over the last three years. Our first in the nation hydraulic fracturing chemical disclosure rule, our water recycling rules, our rule amendments relating to well integrity and construction requirements, and now this seismic-related rule, maintain the Commission's commitment to best practices for the industries we oversee. Once again, the Railroad Commission of Texas takes common sense, proactive steps without unnecessary intrusion from Washington, D.C."

The main components of the adopted rule amendments, which become effective Nov. 17, are:

- requiring applicants for new disposal wells to conduct a search of the U.S. Geological Survey seismic database for historical earthquakes within a circular area of 100 square miles around a proposed, new disposal well;
- clarifying the Commission's staff authority to modify or suspend or terminate a disposal well permit, including modifying disposal volumes and pressures or shutting in a well if scientific data indicates a disposal well is likely to be or determined to be contributing to seismic activity;
- allowing Commission staff to require operators to disclose the current annually reported volumes and pressures on a more frequent basis if staff determines a need for this information; and
- allowing Commission staff to require an applicant for a disposal well permit to provide additional information, including pressure front boundary calculations, to demonstrate that disposal fluids will remain confined if the well is to be located in an area where conditions exist that may increase the risk that the fluids may not be confined.